

exported and imported merchandise provides more work, and more remunerative work, for the railways—the heavy lines, as they are termed; and the enhanced gains which are realised during periods of active and prosperous trade enable holidays to be more readily taken, and the passenger trains (or light lines) ply a busier traffic. So integrally allied are all the branches of the industrial organisation, that a propitious start at any point radiates its stimulating influence throughout the mass; the circle of prosperity which the cast of good fortune creates passes with enlarging circumference beyond the bounds of the nation in which it formed.

Now every interchange of goods is the creation of a debt from the buyer to the seller; the evidences of these debts are cheques and bills of exchange, home and foreign, and when transactions multiply these modes of settling the indebtedness which they produce multiply in a corresponding ratio. But more bills require more discounting (their reduction into present money) so that the proceeds may be promptly invested in additional operations of trade; and more discounting demands a larger supply of capital with the bill-brokers as the means. Merchants and businesses generally require also direct loans on security for the conduct of their expanding engagements, and the banks which make the advances are kept vigorously active in the complete employment of the funds which they hold or can command. As prosperity continues to advance, all apprehension disappears, and credit, or trust in the solvency of each person by the other, attains its climax; cheques and bills in exchange for goods are readily accepted in this state of general assurance that their presentation for payment will at once secure a settlement in money.

And as a necessary consequence of the full employment of all the loanable capital that London possesses in mercantile transactions and enterprises which yield so high a rate of remuneration—either directly, by traders themselves investing their profits in further extensions, or indirectly, by the owners of money lending it to banks for advances to merchants and traders, or themselves purchasing shares in industrial companies—the tendency of the prices of securities upon the Stock Exchange is towards a progressive fall. For it need not be